

CCI Okay with Amazon Getting More Big

But for the bid along with Samara to go through, it has to be compliant with new FDI rules, say execs

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Kolkata: The Competition Commission of India (CCI) has approved the Samara Capital-Amazon joint bid to acquire Aditya Birla Group's supermarket chain More.

However, two senior industry executives said the approval from CCI means the watchdog has done

due diligence of the deal only from the point of impact on competition. They said the onus will be now on Witzig to ensure that the deal is in compliance with the revised e-commerce FDI norms issued by the Department of Industrial Policy and Promotion (DIPP) last month. More so, after CCI recently raised queries to Witzig on the role of Amazon.

CCI on Wednesday had sent a communication to Witzig Advisory Services, the entity where Samara and Amazon will invest and which is acquiring Aditya Birla Retail, saying the proposal is "approved" without elaborating further.

The fair trade watchdog also updated status of Witzig's application on its website as "approved" without further order posted till Thursday late evening.



Approval from CCI means the watchdog has done due diligence of the deal only from the point of impact on competition

The approval comes at a time when e-commerce firms Amazon and Walmart-owned Flipkart are evaluating the revised FDI norms and have asked the government to extend the February 1 deadline to comply with them.

"A detailed order is expected from CCI soon which may specify certain conditions," an executive said. "But there may not be anything major in that since the ownership and deal structure is not in CCI's domain directly. Instead this is in DIPP domain. Samara-Amazon may still have to modify the de-

al structure to be compliant with the DIPP notification otherwise it can risk itself into legal problems," the executive said. Emails sent to Witzig and Amazon did not elicit response till Thursday press time. When contacted, Samara Capital managing director Sumeet Narang declined to comment. Witzig, a wholly-owned subsidiary of Samara Alternative Investment Fund, signed an agreement to acquire ABRL in September for about ₹4,200 crore and filed an application to CCI for clearance in October.

In the CCI application, Witzig had said Amazon.com NV Investment Holdings LLC will buy 49% in Witzig while the remaining 51% will be held by Samara. It had also specified there that Witzig will be majority-owned and controlled by Samara.

Amazon is yet to acquire the stake since it has been awaiting CCI approval.

The revised DIPP norms may make it difficult for Amazon to strengthen the relationship between its India marketplace, Amazon.in, and More supermarkets and use the latter as a seller on its hyperlocal food and grocery platform Amazon Prime Now. This is due to the clause that prohibits group companies from selling in the marketplace.

The FDI clause says that an "entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity."

Under Radar

Chinese Fakers Give Law the Slip

SHANGHAI China has come down hard on its counterfeit industry. A new law effective January 1 promises to slap online retailers with up to \$296,000 in fines for bogus goods sold on their platforms. But Chinese counterfeiters have found a way out. Many fakers are hawk-ing their wares via social messaging networks. They market their offerings on platforms like Instagram. Buyers then order



and pay via private messaging apps.--Bloomberg

₹70000 cr

The expected value of mobile component production in FY19. This figure is 40% more than the ₹50,000 crore target for FY20.

Pitch Report

Rihanna's Luxury Line



PARIS: Pop idol Rihanna is preparing to launch her own luxury brand with the world's biggest fashion conglomerate, according to reports. The Barbados-born superstar, who has her own successful Fenty sportswear label, is in talks with LVMH. --AFP



GoT Game On Mobile

HONG KONG: Tencent will soon release a test version of a Game of Thrones game for smartphones, after winning exclusive Chinese rights to distribute the title based on the mega-popular TV series. The company will be the sole distributor for Game of Thrones: Winter is Coming, developed by Yoozoo, Tencent said on its official WeChat account. --BLOOMBERG

TODAY ON
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Jio's Challenges

Jio faces the twin challenges of maintaining subscriber growth and monetising content. Besides, the fight for high-value customers will intensify further.

Trouble in the US

The inverted yield curve is seen as a predictor of recessions. If the figures on December 4 are considered the precursor of a full-fledged yield curve inversion, the US economy could be headed for trouble.

Game Theory

The genre of casual games, consisting of popular names like Angry Birds and Temple Run, has a huge number of users. What's behind the charm and economics of these games?

BASF'S LARGEST INVESTMENT IN INDIA TILL DATE

Adani Group, BASF Plans to Set Up ₹14k-cr Petrochem Unit

Our Bureau

New Delhi: Global chemicals giant BASF and India's Adani Group have signed a deal to set up a ₹14,000-crore petrochemicals plant at Mundra.

Powered by renewable energy, it will produce chemicals that are now imported.

"This would be BASF's largest investment in India to date," the two companies said in a joint statement after signing a memorandum of understanding before the Vibrant Gujarat summit. The companies hope to start building the project after completing the feasibility study by the end of this year. BASF, which is listed in Frankfurt, Zurich and London, would hold the majority equity in

Green Project

The ₹14,000-cr plant would be BASF's largest investment in India to date, sources said

► BASF -- listed in Frankfurt, Zurich and London -- would hold majority equity in the venture
► Proposed plant would manufacture chemicals of the acrylic value chain that are used by a wide range of customers, including the construction, automotive and coatings industries



the venture, the statement said, but did not give details of the proposed equity holding.

The plant will manufacture che-

micals of the acrylic value chain that are used by a wide range of industries like construction, automotive and coatings. Adani

Group chairman Gautam Adani said the plant would substitute imported chemicals and save foreign exchange for the country. "Our partnership with BASF is a big step forward in enabling the 'Make in India' programme," he said.

BASF chairman Martin Brudermüller said the intention to invest showed the company's long-term commitment to Indian customers. The petrochemicals sector in India has been dominated by Reliance Industries, but the BASF project will have a different product line.

"Today, no petrochemicals company in India manufactures these products. Even large petrochemicals companies do not produce these products," said Karan Adani, CEO of Adani Ports and SEZ.

For IndiGo, No Evenings in Paris, No Nights in London

Airline stalls plans to fly to Europe as costs & pressure on yields weigh

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Mumbai: IndiGo has for now stalled its cofounder Rakesh Gangwal's ambitious plans to operate low-cost long-haul flights to European destinations such as London and Paris, as costs mount and margins are squeezed in a competitive market.

People in the know of the matter said the rethink is due to IndiGo's recent losses as well as overall tough market conditions of high costs and pressure on yields. There is also ongoing debate within the management on whether its planned no-frills model for the flights would garner enough demand in a market which is full of highly competitive premium products from carriers such as Emirates and Singapore Airlines, said one of the persons mentioned above.

IndiGo has landing slots at London's Gatwick airport but they will lapse by the end of the winter schedule in March, by which time it has no plans to start London operations. This

Status: Delayed

TIMELINE OF EVENTS

► **JULY, 2017** Rakesh Gangwal first discusses virtues of low-cost long haul int'l flights

► **JAN, 2018** IndiGo seeks approval to fly to Frankfurt, Paris, Gatwick, Manchester, Birmingham, Brussels, Rome, Milan and Zurich. In a letter, IndiGo says plans to induct wide-bodied planes like Airbus A330

► **MID-2018** IndiGo drops plans to induct wide-bodied planes

► **OCT 2018** In a con call, IndiGo senior exec says acquiring wide-bodied is now an "aspiration"

► **MAR, 2019** Slots to London's Gatwick airport, IndiGo's first planned European destination will lapse



would mean the airline will have to re-apply for the slots if it revisits its London plans.

An IndiGo spokesperson had said in October that it was confident of starting London operations towards end of winter 2018. She had also said it would use a mid-point for a short refuelling stop of less than an hour.

But that has changed. "Well, the airline looks and relooks at

plans. It has now started to fly to Male and Phuket and will try to get the maximum out of those routes," said a person in the know.

When contacted, senior executives at IndiGo declined to elaborate on any change of operational plans, saying the airline is in a "silent period" before the announcement of its earnings for December quarter.

India Drags Feet on 5G Fibre-infra Investment

Our Bureau

Kolkata: India can be a frontrunner in the deployment of 5G or fifth-generation networks but much hinges on the investments in fibre infrastructure, which is inadequate and trailing China, said RS Sharma, chairman of the Telecom Regulatory Authority of India (Trai). "There's serious concern that while people are talking of 5G as a slogan, it won't happen unless we put a lot of investment in fibre," Sharma told India Digital Summit, organised by the Internet and Mobile Association of India (IAMAI), on Thursday.

He said that merely "22% of mobile towers in India" are connected on fibre, unlike China, where as much as 80% of its mobile towers are fiberised. Sharma said India's connectivity problems should be resolved with urgency and regulations, accordingly, should not be "constrained" by the fact that only a certain set of service providers offer a particular service. "No one should have a monopoly of providing services to the people of this country and we should solve this problem by whatever means and instruments we can deploy," he said.

Optical fibre cable laid till date in India is equal to what China does in just one year. This underlines the need for policies to promote big-ticket investments in fixed infrastructure, Sharma said. "The National Digital Communications Policy contains those set of policies and statements and we need to operationalise those to ensure investment."

Oyo Gets I-T Notices for Filing Inaccurate Details of Income

Case linked to non-deduction of TDS on payments made by co in AY2016-17

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New Delhi: SoftBank-backed Oyo Hotels & Homes has been sent income tax notices for furnishing inaccurate particulars of income, sources familiar with the matter told ET. The income tax department sent notices to parent company Oravel Stays in November and December for assessment year 2016-2017.

People aware of the matter said the case is linked to non-deduction of tax deducted at source (TDS) on payments made by the company in assessment year 2016-17.

Oyo reported losses exceeding ₹400 crore in its returns for 2016-2017. The income tax department in December passed an order against the company and Oyo has filed an appeal



against the order this week, sources familiar with the matter said.

Oyo did not respond to an email seeking comments till the time of going to press.

In September last year, SoftBank Vision Fund, led an \$800 million funding round in Oyo, valuing the company at over \$5 billion. Oyo says it is present in more than 500 cities across India, China, Malaysia, Nepal, the UK, UAE and Indonesia, with over 13,000 hotels and 3,000 homes in its portfolio.

The company announced the launch of Oyo Homes in Dubai this month. Starting with 40 homes in Dubai, the company plans to ramp up its presence to 200 homes in the next six months.



MY JOB TAKES ME

ACROSS THE COUNTRY,

I am among crores of Indians who have transferable jobs and live in a city that is different from where our votes are registered. So, we are unable to vote from where we are. It's time we get included in the electoral process and cease to be lost votes. Because we can shape the destiny of our nation with every vote.

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MY VOTE

HOLDS ME BACK.

AND THERE ARE CRORES

LIKE ME.



THE TIMES OF INDIA

#LostVotes

CHANGE Begins Here